

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

SEP 30 2009

FILED

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE,

PETITIONER,

VS.

DAIRYLAND INSURANCE
COMPANY,

RESPONDENT.

CONSENT ORDER

CAUSE NO. C-1788

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Janette L. Adair and Dairyland Insurance Company ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §§44-101.01, 44-135, 44-303, and 44-4047 et seq. (Reissue 2004).
2. Respondent was licensed under the laws of Nebraska as a foreign insurer licensed to conduct business in Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Dairyland Insurance Company, Cause Number C-1788 on September 9, 2009. A copy of the petition was served upon the Respondent at the

Respondent's address registered with the Department, and upon Respondent's agent for service, by certified mail, return receipt requested.

2. Respondent violated Neb. Rev. Stat. § 44-4062 as a result of the following conduct:
 - a. On or about January 12, 2007, Respondent mailed a notice to Auto Insurance Center terminating the agency's Dairyland Insurance Agreement effective February 14, 2007. This notice terminated the appointment of Richard A. Peters effective February 14, 2007. Respondent did not provide Petitioner notice of the termination of the appointment of Richard A. Peters within thirty days following the effective date of the termination.
 - b. Respondent terminated the appointment of Auto Insurance Center and Richard A. Peters effective February 14, 2007. The reason for the termination was that the "agency has not complied with established guidelines and procedures our company has established." On or about May 21, 2008, Respondent notified Petitioner that the appointment of Richard A. Peters was being cancelled at the producer's request. Respondent failed to disclose that the appointment was terminated by the Respondent for cause.

3. Respondent was informed of the right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving the right to a public hearing, Respondent also waives the right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent admits the allegations stated in Paragraphs 2.

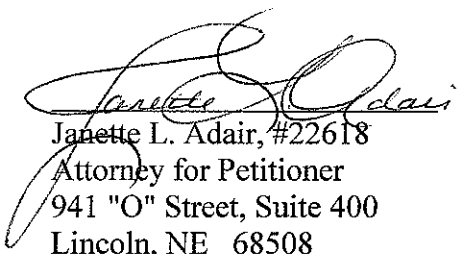
CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes violations of Neb. Rev. Stat. §§ 44-4062.

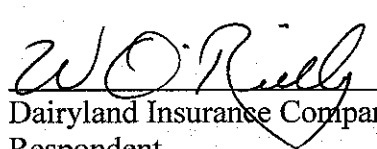
CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed by Respondent, Dairyland Insurance Company, that Respondent shall pay an administrative fine in the amount of one thousand dollars (\$1,000.00) due within 30 days after the Director of Insurance or his designee approves and

signs this consent order. In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing his signature below.


Janette L. Adair, #22618
Attorney for Petitioner
941 "O" Street, Suite 400
Lincoln, NE 68508

9-25-09
Date

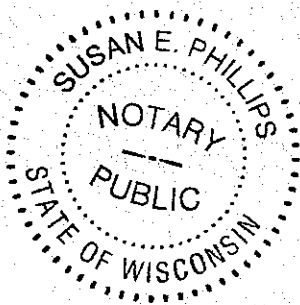

Dairyland Insurance Company,
Respondent

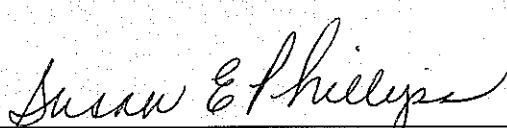
By: William M. O'Reilly, Secretary

9-21-09
Date

State of Wisconsin)
) ss.
County of Portage)

On this 21 day of September, 2009, William M. O'Reilly personally appeared before me on behalf of Dairyland Insurance Company and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.




Notary Public, State of Wisconsin
My Commission Expires: 9-4-11

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Dairyland Insurance Company, Cause No. C-~~1788~~.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

Ann M Frohman
ANN M. FROHMAN
Director of Insurance

9/30/09
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Consent Order was served upon Respondent by mailing a copy to Respondent at 1800 North Point Drive, P.O. Box 8035, Stevens Point, WI 54481-8035, by certified mail, return receipt requested, on this 30th day of September, 2009.

Tracy A. Fuhm